

STATE OF NEW HAMPSHIRE
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Paula T. Rogers
Insurance Commissioner

FOR IMMEDIATE RELEASE
November 22, 1999

Concord, New Hampshire - New Hampshire Insurance Commissioner Paula T. Rogers today took steps to place Tufts Health Plan of New England ("TNE") into a court-supervised rehabilitation. Commissioner Rogers' actions were in response to mounting operating losses from TNE. The Company's Board of Directors consented to the Commissioner's action.

TNE is a well-regarded New Hampshire HMO that writes health insurance in New Hampshire, Maine and Rhode Island. TNE had earlier this year announced that it was exiting the health insurance market in Maine because of significant operating losses in that State.

In New Hampshire, approximately 70,000 individuals are insured by TNE. Commissioner Rogers stated that: "I regret the necessity of taking this action. Tufts has been an excellent managed care company in New Hampshire." Rogers indicated that the focus of her rehabilitation would be to conserve assets of TNE while determining whether a smooth transition of TNE's policyholders to other insurers is advisable. The Commissioner noted that TNE would also be actively exploring whether other carriers had a desire to assume all or a portion of its business during the next 30 to 60 days. Separately, Commissioner Rogers indicated that in New Hampshire other carriers would be urged to write TNE accounts if and when they became available.

Residents who are covered by TNE are assured that their coverage will remain in place and benefits will continue to be provided in the immediate term. In addition, TNE will be contacting its provider network presently about plans to preserve its network while services are being provided. However, employers whose accounts renew in January should consider alternative sources of coverage.

The Commissioner is in communication with insurance regulators in Maine, Massachusetts and Rhode Island. She will also be contacting certain affected providers, employers, brokers and other carriers in her rehabilitation efforts.

For more information please contact Insurance Commissioner Paula T. Rogers at (603) 271-2261.

Please be advised that Department personnel will be available to answer press questions today until 5:30 p.m. and again tomorrow from 8:00 a.m. to 4:30 p.m.

(tufts.doc)